

14853 *Vickers*

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

[Protest of Sole-Source Contract Award] PL 1

FILE: B-P98197

DATE: September 9, 1980

MATTER OF: Fermont Division, Dynamics Corporation
of America

DIGEST:

Agency determination to award sole-source contract to firm which has developed and tested gas turbine driven generator set is upheld, in view of technical and delivery schedule risks associated with protester's proposal of unbuilt and untested new lightweight diesel engine driven generator set.

Fermont Division, Dynamics Corporation of America (Fermont) has protested the award of a sole-source contract to Detroit Diesel Allison Division, General Motors Corporation (DDA), by the U.S. Army Mobility Equipment Research and Development Command, Fort Belvoir, Virginia (MERADCOM).

The request for quotations which led to the contract was for the initial production buy of a quantity of 231 150-kilowatt (kw) Gas Turbine Engine Driven Generator Sets (GTED). The sets are for use with the Patriot Missile System. In June 1978, MERADCOM awarded DDA a contract for the development of a 150-kw GTED generator set. This contract resulted from a 1975 study conducted by MERADCOM which recommended that a gas turbine engine driven approach be developed which would result in cost and reliability improvements over the units then in service.

Fermont's protest is based on the contentions that MERADCOM's purchase description exceeds the Government's minimum needs and is, therefore, unduly restrictive and that MERADCOM did not perform preliminary studies which would have shown that the restrictive purchase description will result in higher initial costs and mission costs than could otherwise be obtained.

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Fermont argues that its proposed design will meet all the major points of the purchase description with the exception of being diesel powered rather than driven by a gas turbine. The decision to procure gas turbines was not based on a comparison with the latest diesel technology which has now developed a lightweight diesel engine adaptable for this application.

MERADCOM focuses on the following three general areas of its minimum needs as contained in the purchase description which require the GTED:

"1. COLD START: Due to necessity for quick response, the target acquisition set (supported by the subject GTED generator) must be operational in 4 minutes or less. Only a GTED generator can fulfill this requirement in all the prescribed temperature ranges. Diesel generators cannot meet this requirement in the extreme cold ranges (-25° to -50°F).

"2. FUEL: Fuel consumption and its cost have always been a consideration in the development of the GTED Generator Sets. One of the considerations in pursuing the GTED Generator Sets development was to better the fuel consumption of the EMU-30. The primary reasons for obtaining a GTED generator set for this application were that it promised to be more reliable and offered the advantages of improved mobility, fast start, and low maintenance.

"3. WEIGHT AND SIZE: The weight restrictions within the purchase description are the minimum needs of the Government. The weight is dictated by the maximum load requirements of the M811-five ton truck chassis, which has been dedicated to the PATRIOT Missile System. Further, the M811 is the only truck chassis known that can be loaded aboard a C-141 aircraft with the DDA GTED Generator Set and with necessary auxiliary equipment to meet deployment requirements."

Fermont contends that by preheating the intake air, its diesel will start and accept a full load within the 4-minute time constraint. Regarding fuel consumption, Fermont argues that its diesel engine uses 30 to 50 percent less fuel than the GTED depending on the load, which, based on 6,000 hours of operation of the 231 sets, would produce a savings of \$9,702,000. Fermont also alleges that its diesel-powered set will weigh less than the GTED set and, therefore, two of the main reasons for developing the GTED, fuel savings and weight, would be better met by its diesel design. Finally, based on its computation, Fermont states that the initial acquisition cost would be \$40 million less if diesel sets were procured.

MERADCOM, in response to the protest, argues that the design being advanced by Fermont has never been built or tested, so most of its statements in support of its protest are conjecture with no test data to prove the claims. Fermont achieves its weight saving by eliminating the flywheel and if this approach does not work, the weight savings is lost. The \$40 million projected savings alleged by Fermont is based on unrealistic cost comparisons since Fermont does not know the price offered by DDA and Fermont is pricing its unbuilt set.

MERADCOM's position is that the purchase description states the Army's legitimate minimum needs and that the GTED has been developed in an orderly manner over a period of years, subjected to the required testing and has been found capable of meeting the Patriot Missile System's needs. The diesel concept proposed by Fermont would have to undergo the same type of development and testing which is unacceptable under the time constraints present in the Patriot program. The GTED's have been undergoing testing since August 1979. The sets are required for delivery to the Patriot program in December 1981.

We have recognized that noncompetitive awards may be made where the minimum needs of the Government can be satisfied only by one firm which could be reasonably expected to produce the required item

without undue technical risk within the required timeframe. Hughes Aircraft Company, 53 Comp. Gen. 670 (1974), 74-1 CPD 137.

Here, we find MERADCOM has adequately justified its decision to procure the generator sets on a sole-source basis in view of the time constraints and the fact that the ~~Fermont~~ proposed design has not yet been built or tested. While ~~Fermont~~ argues that its design is nothing more than the combination of an existing diesel engine with a generator using proven techniques, we find the agency acted reasonably in choosing the already tested DDA set, when weighed against the technical and delivery risks found in the Fermont proposal.

While Fermont argues that the relief it requests here and the facts involved are similar to those in our decision in the matter of Jarrell-Ash Division of the Fisher Scientific Company, B-185582, January 12, 1977, 77-1 CPD 19, we disagree. In the 1977 decision, we found the agency had overstated its minimum needs and competition could be obtained by adding another standard of measurement to the specifications. Here, we have found no overstatement and also Jarrell-Ash did not involve time constraints as are present here which had to be met.

The protest is denied.

Harry R. Van Cleave

For the Comptroller General
of the United States